

Cabinet

13 March 2013



**Economy and Enterprise Overview and
Scrutiny Committee – Review of Empty
Homes**

Report of Lorraine O'Donnell, Assistant Chief Executive

Purpose of the Report

- 1 To present the Draft Economy and Enterprise Overview and Scrutiny review report looking at bringing empty homes back into use (the report is attached at appendix 2).

Background

- 2 The Council's Overview and Scrutiny Committees routinely consider Quarterly Performance reports and frequently are commissioned to undertake Review activity on areas of underperformance. The Economy and Enterprise Overview and Scrutiny Committee considers quarterly Performance reports relating to the "Altogether Wealthier" Council Plan priority. As part of this process, the Committee identified an area of below target performance in respect of the number of empty properties brought back into use as a result of local authority intervention.
- 3 Key areas for examination for the review were agreed and the Working Group agreed that the Review should seek to identify outcomes and make recommendations in respect of:-
 - How the Council can address the demands of the Government to tackle Empty Homes including the use of the various funding streams available to the Council;
 - The effectiveness of the Council's Private Sector Housing Strategy in relation to empty homes;
 - The use of the various options available to the Council to tackle empty homes with regard to ensuring value for money;
 - How the Council can learn from other Councils who are seen as exemplar authorities in tackling empty homes and the initiatives that they use to be successful.
- 4 The review has gathered a wide range of evidence and conducted field study activity to examine how the Council, working in partnership with Registered Social Landlords and landlords from the private rented sector, can improve its performance in bringing back empty properties in to use. Members have examined national and local policy in this respect and the key funding streams available to develop private sector housing renewal and regeneration projects and initiatives which will stimulate local housing markets, breathe life into the

priority areas identified by the Council and also deliver both increased access to affordable housing and also potentially provide employment opportunities in a stagnant housing market caused by the current economic downturn.

- 5 Examples of best practice have been identified as potential delivery models and a significant amount of work is being undertaken within the Housing Renewals and Regeneration team to deliver further improvements in performance and the development of SMART targets for service delivery.
- 6 The report identifies a number of conclusions arising from the review and makes recommendations which are aimed at delivering improved performance in respect of bringing empty homes back into use.
- 7 The Council's existing approach to bringing empty homes back in to use is based upon initiatives within 8 priority regeneration areas which include selective licensing, Compulsory Purchase/ clearance, negotiated purchase and repair and leaseback schemes. Continued partnership working is essential to develop improved delivery models that will bring more empty properties back into use by making funding streams more accessible and ensure that resources can be recycled to ensure the sustainability of these models. Government funding initiatives offer an opportunity to develop such models although the Council's ability to utilise such funding is negated due to the pressure placed upon the Council to develop a Local Council Tax Support scheme that is cost neutral.
- 8 The recommendations contained within the report aim to ensure the effectiveness of the Council's existing housing renewals and regeneration initiatives as well as developing newer models based on a partnership approach that will deliver improved performance and also ensure that these are sustainable. The development of bids into the Government's affordable homes programme are to be supported and Cabinet are asked to support any request for Capital resources associated with matched funding requirements. The Local Council Tax Support Scheme proposals are supported and Cabinet are requested to consider releasing any additional resources generated by amending the Council Tax discounts for investment in empty homes initiatives. The development and implementation of a systematic approach to performance management is also recommended together with a feasibility study into the potential to increase the complement of empty homes officers utilising New Homes Bonus resources.

Service Response

- 9 Overall, the report is very comprehensive and thorough. However, while we agree that the service did under perform against the targets that had been set, this was against a backdrop of a collapse in the housing market, recession and targets that were not particularly realistic in this context. The review goes on to acknowledge this, and that the actual number of empty homes has been relatively stable over the period. The Service is on track to meet the revised targets agreed for 2012/13.
- 10 We have experienced difficulties in the housing market over the last 5 years, with a collapse in house building, falls in house prices, drying up of mortgage

finance and so on. We should acknowledge set against this context that any success in bringing empty homes back into use should be applauded.

- 11 Finally, we think that we need to move beyond just focusing on the areas with the greatest numbers of empties alone, but use more of our market intelligence to target scarce resources on areas where we have the greatest chances of bringing empties back into use and making a difference.
- 12 The Service welcomes the support for the Empty Homes Cluster Programme and notes that establishing and delivering this will require most of the service's focus over the coming two years. Bringing empty homes back into use can be very resource intensive and requires significant capital funding as well as officer time and support. The service notes the scrutiny committee's recommendation that work is carried out to look at the potential offered for extra resources through New Homes Bonus or additional funding from the Local Council Tax Support Scheme. However while additional resources are welcome, the need for significant additional capital support to achieve success must also be taken into account.
- 13 We also welcome the committee's support for exploring in more detail the potential for new and innovative ways of working, such as homesteading or more collaborative ways of working with developers and the private sector.

Recommendation

- 14 That Cabinet notes the recommendations in the attached report (appendix 2) and formulates a response within the six month period identified within the report for systematic review of recommendations.

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Appendix 1: Implications

Finance – the report identifies financial implications associated with the approval of Empty Homes Cluster Bids which have been drawn up for consideration as part of the MTFP3 2013-2017. The report also details the financial implications of the Local Council Tax support scheme and associated proposals relating to the removal of Council Tax discounts for empty properties.

Staffing – The report identifies the staffing changes that have been undertaken within the Housing Regeneration and Renewals Team as part of the RED Restructure. It also invites Cabinet to undertake a feasibility study adopting an “Invest to save” initiative to increase the complement of Empty Homes officers utilising potential New Homes Bonus resources generated through improved Council performance in bringing empty homes back in to use;

Risk - None

Equality and Diversity/Public Sector Equality Duty – An Equality Impact Assessment may be required to be undertaken by service carrying out the implementation of recommendations and the Committee will review this as part of the monitoring of recommendations within its work programme for 2013/14

Accommodation - None

Crime and Disorder – Bringing empty homes back into use will contribute to the reduction of Anti-social behaviour and environmental blight associated with long term empty homes.

Human Rights - None

Consultation – The Working Group have engaged with local residents in the priority regeneration areas of Wembley, Easington Colliery, West Chilton and Craghead as part of the site visits undertaken during the course of the Review.

Procurement - None

Disability Issues - None

Legal Implications – The key legislative tools available to the Council in tackling empty homes are detailed within the report.